

Rebuttal to the Argument in Support of Prop 1C

Proposition 1C is fiscally irresponsible. 1C grows bureaucracy with almost \$3 billion in borrowed money, burdening everyone with debt to benefit a small number of people selected by government, including financially eligible illegal immigrants.

In their "yes" argument, 1C's backers claim the bond would be "funded out of existing state resources without raising taxes." Sadly, there is no such thing as free money.

When California sells bonds, what is really happening is that the state is going into debt in your name. This debt gets repaid at about two dollars of principle and interest for every dollar borrowed.

Debt repayment has the top priority in government spending. So, money spent to repay bonds means budget cuts for education, roads, Medi-Cal, levee repair, prisons, and water projects. Or, even less money for tax cuts.

More debt = less money for priorities. And, less money for priorities = pressure to raise taxes on all Californians.

Debt should be used sparingly to build long lasting projects such as roads, bridges, dams, schools and universities.

**SUBJECT TO COURT
ORDERED CHANGES**

Builders build homes, not government. Fees, regulations and government interference make homes unaffordable in California. Freeing builders to build is the best affordable housing program – *and, it costs nothing!*

Adding more debt to our state's credit card hurts ALL Californians. Proposition 1C would add \$600 of debt and interest payment obligations on every California family of four. That's \$600 that could be returned to the people in lower taxes, or spent on roads and schools.

Be responsible: vote "no."

1. Assemblyman Chuck DeVore, Member, Assembly Budget Committee
2. Bill Leonard, Member, California State Board of Equalization
3. Mike Spence, President, California Taxpayer Protection Committee

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